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FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Billed Party Preference) CC Docket No. 92-77
For 0+ InterLATA Calls) Phase I
)

SUPPLEMENTAL COMMENTS

AMNEX, Inc. (formerly NYCOM Information Services, Inc.) (hereinafter, "AMNEX")¹, by its attorneys, hereby files these Supplemental Comments in response to the Report and Order and Request for Supplemental Comment² in the above-captioned docket concerning the methods for and technical arrangements associated with the compensation of operator service providers ("OSPs") who continue to receive 0+ dialed proprietary card calls even after the release of the Order.

AMNEX supports the Commission's efforts to ensure that OSPs are compensated for the costs they incur when their facilities are used by holders of proprietary cards. Currently, OSP networks handle a significant number of calls erroneously directed to them

¹ AMNEX, Inc. is a telecommunications holding company whose activities are concentrated in the public communications sector. AMNEX, Inc.'s services are provided primarily through its wholly-owned subsidiary American Network Exchange, Inc. which offers telecommunications network services, including operator and travel card services. Because the AMNEX name was more identifiable with the Company's primary business activities, NYCOM shareholders changed the Company's name to AMNEX, Inc. effective August 6, 1992.

² Billed Party Preference for 0+ InterLATA Calls, CC Docket No. 92-77, FCC 92-465, released November 6, 1992 (hereinafter, "the Order"). See also, Order Deferring Supplemental Comment Date, Billed Party Preference for 0+ InterLATA Calls, CC Docket No. 92-77, DA 92-1637, released December 2, 1992.

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by users of proprietary cards who are attempting to complete such calls on a 0+ basis from phones not presubscribed to the proprietary card issuer's network. We agree that it is in the public interest to promptly implement procedures which will educate consumers on how to properly access the network of their preferred carrier.

As the Order recognizes³, OSPs incur substantial direct costs when they receive proprietary card calls dialed on a 0+ basis.⁴ These costs include validation, LEC access charges, switch time, and operator time to explain to the consumer why the call cannot be placed. Additionally, even if the receiving carrier can identify the CIID card before it gets sent to an operator, the carrier cannot avoid the costs associated with access to its switch, internal switch processing, and the cost involved in informing the customer (whether live or through a recording) that the card cannot be processed. Finally, the fruitless activity of a consumer attempting to reach AT&T through 0+ at a payphone not presubscribed to AT&T ties up the consumers' time as well as the payphone instrument, frustrates the caller and results in lost revenue opportunities for both the carrier and the payphone owner.

³ Order at ¶s 46, 55.

⁴ AMNEX is familiar with the Supplemental Comments being filed today by COMPTTEL, its national trade association, which comments describe in detail the direct costs imposed by erroneously dialed CIID card calls. In addition, they report on the results of a COMPTTEL member survey which revealed that approximately 11 percent of "0" dialed call attempts received by OSP members were placed by AT&T CIID cardholders, with percentages ranging as high as 23% for some carriers. See, Supplemental Comments of the Competitive Telecommunications Association, Docket 92-77, Phase I, filed December 14, 1992, at 6-9.

As an active participant in the both the instant proceeding and its several predecessors, AMNEX supports the Commission's suggestion that the proprietary card issuers and the affected OSPs negotiate among themselves and settle on a reasonable system for effectuating the consumer education, call transfer, and compensation mechanisms contemplated by the Order. The public forum held by the Commission on December 8 was a positive first step, and established a framework within which the industry can move forward.

Importantly, two of the three methodologies identified during the meeting as technically viable have already been voluntarily implemented by many OSPs, notwithstanding the lack of compensation.⁵ Thus, compensation levels and methods and procedures for such compensation should be readily achievable, perhaps through stipulation by the proprietary card issuer and affected OSPs.⁶

The first methodology is to provide the caller with appropriate dialing instructions. Such instructions will not only allow the caller to reach his or her preferred carrier in order to

⁵ AMNEX notes that, even prior to the issuance of proprietary cards, it was providing such services to callers accessing its network and attempting to use the pre-CIID IXC joint use cards, known as "ATT-only" or corporate cards.

⁶ As the Commission recognized in the Order and as discussed during the December 8 Forum, several existing services could be used a surrogate determinate for OSP costs. In particular, AT&T's own Operator Dialed Surcharge, imposed on operator service calls when the customer has the capability of dialing all the digits necessary to complete the call but elects only to dial the operator code (i.e., 0-, 00- or 10XXX-0-), is a closely analogous service whose rate provides a reasonable surrogate charge.

place the immediate call, but also will serve to educate the caller as to the proper dialing procedures, thus increasing the possibility that the caller will dial correctly in the future.

The second methodology is to re-direct the call back to the originating instrument or dialer by sending a B tone. This signal causes the payphone or dialer to outpulse a preset access code sequence, thereby effectively routing the call to the intended carrier. This reorigination will include any digits dialed by the caller, e.g., the calling card and destination numbers.

A third method of transfer solution is to effectuate a full transfer from the OSP operator directly to the AT&T operator with proper ANI. Unfortunately, there are several technical issues which must be resolved before direct transfer can be properly implemented (i.e., without splashing), not the least of which is the apparent inability of each of AT&T's operator switches to recognize and accept the universe of active NPAs. Clearly, implementation of this methodology will require further discussion between the parties and may necessitate substantial network investment and modification. Thus, it may not be viable in the short term.

However, the need for further investigation of this third methodology should not delay implementation of compensation for the dialing instruction and re-origination services. The parties should be able to reach an agreement in a reasonably short amount of time as to the methods, procedures and compensation level needed to effectuate these two solutions. Thus, it would be quite

reasonable for the Commission to set a target date of January 15, 1993 for resolution of the issues surrounding compensation for dialing instructions and re-origination. The parties could thereafter continue to meet under Commission auspices to discuss implementation of a full transfer service.

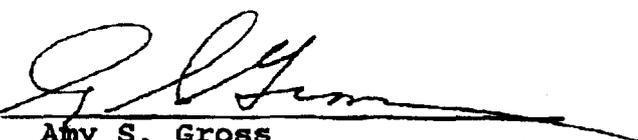
Finally, because each OSP has a unique customer base, it should be given full discretion as to whether it will provide dialing instructions and/or re-origination. For example, in a hotel where 10XXX access remains blocked consistent with the Commission's rules, the presubscribed OSP would not want to instruct the caller to dial 10XXX access code found on the back of his card. Instead, the OSP would require the leeway to use its own discretion for providing a solution, which in this case would most likely be to provide re-origination service.

AMNEX agrees with the Commission that the core issue that needs to be addressed is how to provide the public with a workable educational solution in an expedient manner without resorting to the encumbering process of a drawn-out rulemaking. Indeed, the sooner compensation issues can be resolved, the sooner the focus of the industry can properly shift away from consumer frustration and inefficiency and towards consumer satisfaction. Based on meetings

held to date, it appears that the parties can reach swift agreement on the two currently feasible methodologies. We look forward to working with the Commission and the other parties to reach an expedited solution which serves the public interest and properly compensates OSPs for the service they provide.

Respectfully submitted,

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